

The Effect of Participatory Leadership, Organizational Culture, Motivation on Performance Through Job Satisfaction at East Kutai Indonesia Trade Office

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Abstract

This study examines the effects of participative leadership, organizational culture, and work motivation on employee performance through job satisfaction at the Department of Industry and Trade of East Kutai Regency. A quantitative approach with an explanatory research design was employed. The population comprised 108 civil servants and regional contract employees, all of whom were included as research respondents. Data were collected through a structured questionnaire and analyzed using validity and reliability tests, multiple linear regression, t-test, F-test, and path analysis. The findings demonstrate that participative leadership, organizational culture, and work motivation have positive and significant effects on job satisfaction. Partially, these three variables also exert positive and significant effects on employee performance. In addition, job satisfaction was found to have a positive and significant effect on employee performance. The results of the path analysis further indicate that job satisfaction mediates the relationship between participative leadership, organizational culture, work motivation, and employee performance. These findings suggest that efforts to improve employee performance in public sector organizations require the strengthening of participative leadership practices, the development of a supportive organizational culture, the enhancement of work motivation, and the sustainable management of job satisfaction. Accordingly, job satisfaction constitutes an important mechanism through which organizational factors contribute to improved employee performance.

Keywords: Participative Leadership; Organizational Culture; Work Motivation; Job Satisfaction; Employee Performance

Introduction

The implementation of regional autonomy through the principle of decentralization places local governments in a strategic position in the provision of public services. Consequently, public demand for effective, responsive, and accountable services is increasing. In this context, the performance of government officials is a crucial factor because it directly relates to the effectiveness of program implementation, the quality of public services, and the achievement of organizational goals (Robbins & Judge, 2022).

From an organizational behavior perspective, employee performance is influenced by various internal organizational factors, particularly leadership, organizational culture, motivation, and job satisfaction. Participatory leadership encourages employee involvement in decision-making and two-way communication, thereby strengthening a sense of belonging to the organization. Organizational culture shapes collective values, norms, and behavioral patterns that serve as work guidelines. Meanwhile, motivation acts as an internal and external driver that influences employee intensity and persistence in achieving organizational goals (Luthans & Doh, 2021; Yukl & Gardner, 2020).

Various previous studies have shown that participatory leadership, organizational culture, and motivation influence employee job satisfaction and performance. However, these previous studies have shown inconsistencies in the magnitude and direction of the influence between variables. Furthermore, research integrating these three variables by positioning job satisfaction as a mediating variable is still relatively limited, particularly in the context of regional government organizations.

Empirically, the East Kutai Regency Industry and Trade Office continues to face several issues related to employee performance. Observations indicate limitations in leadership's directive and supervisory functions, low employee involvement in decision-making, suboptimal understanding of the organization's vision and mission, and weak initiative in carrying out tasks. Furthermore, employees still tend to wait for instructions, interpersonal conflicts arise, and work motivation declines, impacting less than optimal organizational performance. These conditions indicate that employee performance issues are not solely influenced by individual factors but are also closely related to leadership, organizational culture, motivation, and job satisfaction.

Based on the state of the art and empirical conditions, the novelty of this research lies in the development of an integrative model that simultaneously examines the influence of participative leadership, organizational culture, and motivation on employee performance, with job satisfaction as a mediating variable. This research also provides an empirical contribution by testing the model on regional government organizations in East Kutai Regency.

Based on this description, this study aims to analyze the influence of participative leadership, organizational culture, and motivation on employee performance through job satisfaction at the East Kutai Regency Industry and Trade Office. The research findings are expected to enrich the study of public sector organizational behavior and provide practical input for strengthening human resource management within local governments.

Literature Review

Employee performance is a crucial concept in public administration because it reflects the extent to which organizational goals can be achieved effectively and efficiently. In the context of government organizations, performance is not only defined as work results, but also as work behaviors that demonstrate quality, quantity, timeliness, and responsibility in carrying out tasks. Campbell, John P., and Wiernik, Brenton M. (2015) explain that performance is a multidimensional construct encompassing behaviors relevant to organizational goals. Therefore, performance is not only viewed in terms of final results, but also how these work behaviors support the achievement of organizational goals.

One factor influencing performance is participatory leadership. Participatory leadership is a leadership style that provides space for employees to participate in the decision-making process, express their opinions, and participate in resolving organizational issues. According to Yukl & Gardner (2020), participatory leadership can increase commitment, a sense of ownership, and the quality of decisions because employees feel their opinions are valued. In public organizations, participatory leadership also encourages more open, two-way communication, thereby strengthening working relationships and the effectiveness of task implementation.

Besides leadership, organizational culture is also a factor determining employee work behavior. Organizational culture is a set of values, norms, beliefs, and behavioral patterns that develop within an organization and serve as guidelines for its members' actions. Robbins, Stephen P., and Judge, Timothy A. (2017) explain that organizational culture shapes how members understand their work, build interactions, and respond to environmental changes. A strong, collaborative, and performance-oriented organizational culture tends to create a more conducive work environment, thereby increasing employee commitment and productivity.

The next factor is work motivation. Motivation is an internal and external drive that influences an individual's intensity, direction, and persistence in achieving specific goals. According to Luthans, Fred (2011), motivation is a psychological process that awakens, directs, and sustains individual behavior toward goal achievement. In an organizational context, motivation can arise through rewards, opportunities for self-development, recognition for achievement, and work challenges. Highly motivated employees tend to demonstrate greater work ethic, initiative, and responsibility in completing tasks.

In this context, job satisfaction plays a crucial role as a psychological factor influencing work behavior. Job satisfaction is a positive emotional state arising from an individual's assessment of their work. According to Robbins, Stephen P., and Judge, Timothy A. (2008), job satisfaction is influenced by the nature of the job, supervision, salary, promotion

opportunities, and relationships with coworkers. When employees are satisfied with their jobs, they tend to demonstrate greater loyalty, engagement, and productivity. Conversely, job dissatisfaction can decrease motivation, increase absenteeism, and trigger turnover.

Based on this theoretical foundation, this study considers participatory leadership, organizational culture, and motivation as organizational factors that influence employee performance, both directly and through job satisfaction as a mediating variable. Conceptually, when employees perceive participatory leadership, a conducive organizational culture, and adequate work motivation, job satisfaction will develop, ultimately driving improved performance. This theoretical framework serves as an analytical basis for understanding how organizational factors shape employee work behavior at the East Kutai Regency Industry and Trade Office. The following hypotheses are formulated in this study:

1. H1: Participatory leadership style is suspected to have a positive and significant effect on the performance of employees at the East Kutai Regency Industry and Trade Office.
2. H2: Organizational culture is suspected to have a positive and significant effect on the performance of employees at the East Kutai Regency Industry and Trade Office.
3. H3: Work motivation is suspected to have a positive and significant effect on the performance of employees at the East Kutai Regency Industry and Trade Office.
4. H4: Participatory leadership style is suspected to have a positive and significant effect on job satisfaction of employees at the East Kutai Regency Industry and Trade Office.
5. H5: Organizational culture is suspected to have a positive and significant effect on job satisfaction of employees at the East Kutai Regency Industry and Trade Office.
6. H6: Work motivation is suspected to have a positive and significant effect on job satisfaction of employees at the East Kutai Regency Industry and Trade Office.
7. H7: Job satisfaction is suspected to have a positive and significant effect on the performance of employees at the East Kutai Regency Industry and Trade Office.
8. H8: Participative leadership style is suspected to have a positive and significant effect on performance through job satisfaction of employees at the East Kutai Regency Industry and Trade Office.
9. H9: Organizational culture is suspected to have a positive and significant effect on performance through job satisfaction of employees at the East Kutai Regency Industry and Trade Office.
10. H10: Work motivation is suspected to have a positive and significant effect on performance through job satisfaction of employees at the East Kutai Regency Industry and Trade Office.

Method

This study used a quantitative approach with an explanatory design to analyze the causal relationship between participative leadership, organizational culture, motivation, job satisfaction, and employee performance. This approach was chosen because it allows for empirical testing of the direct and indirect effects between variables within a single analytical model. The study was conducted at the East Kutai Regency Department of Industry and Trade.

The study population consisted of 108 employees, consisting of civil servants and regional contract workers. Given the relatively affordable population size, this study employed a census technique, thus selecting all members of the population as respondents. The census approach provides a more comprehensive picture of the organization's empirical conditions and minimizes sampling error.

The data sources in this study consisted of primary and secondary data. Primary data were obtained directly through questionnaires distributed to respondents. The research instrument was constructed using a five-level Likert scale, ranging from strongly disagree to strongly agree. The study variables included participative leadership (X1), organizational culture (X2), motivation (X3), job satisfaction (Z), and employee performance (Y). Each variable was measured using several operational indicators, such as employee involvement in decision-making, values of togetherness and professionalism, intrinsic and extrinsic motivation, satisfaction with the work environment, and the quality and timeliness of task completion. These indicators were developed based on theoretical foundations and adapted to the context of the research organization.

Before the analysis, the research instrument was tested through validity and reliability tests. Validity testing was conducted by examining the product-moment correlation coefficient between item scores and the total score. The instrument was declared valid if the correlation coefficient value was greater than the table *r* value at a significance level of 5 percent. Reliability testing was conducted using the Cronbach's alpha coefficient. The instrument was declared reliable if the Cronbach's alpha value was greater than 0.70 (Ghozali, 2018).

Data analysis was conducted using descriptive statistics, correlation tests, multiple linear regression, and path analysis using SPSS Version 23. The correlation test was used to determine the strength of the relationship between the research variables. Multiple linear regression analysis was used to examine the partial and simultaneous effects of independent variables on the dependent variable. In general, the regression equation model used is:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e$$

Description:

Y = employee performance;

a = constant;

b₁, b₂, b₃ = regression coefficients;

X₁ = participative leadership;

X₂ = organizational culture;

X₃ = motivation;

e = error.

To analyze the mediating role of job satisfaction, path analysis was used using two structural equations:

$$Z = a + b_1X_1 + b_2X_2 + b_3X_3 + e$$

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4Z + e$$

Hypothesis testing was conducted using partial (t-test) and simultaneous (F-test) tests at a 5 percent significance level. Through this approach, the study not only identifies the direct influence between variables but also explains the mechanism of the indirect relationship through job satisfaction as a mediating variable. Therefore, this research method is expected to provide a comprehensive empirical picture of the factors influencing employee performance at the East Kutai Regency Industry and Trade Office.

Results and Discussion

Sub-Discussion

The instrument testing results indicate that all research indicators meet validity and reliability criteria. The Pearson Correlation value for all statement items is above the table r value (0.188) with a significance level below 0.05. Furthermore, the Cronbach's Alpha value for all variables is above 0.70. These findings indicate that the research instrument has an adequate level of accuracy and consistency, making it suitable for use in hypothesis testing.

The path analysis results indicate that participative leadership, organizational culture, and motivation have a positive and significant influence on job satisfaction. Partially, these three variables also have a positive and significant influence on employee performance. Furthermore, job satisfaction has been shown to have a positive and significant influence on employee performance. These findings confirm that the quality of organizational factors directly contributes to job satisfaction and encourages improved employee performance.

From an organizational behavior perspective, this relationship demonstrates that employee work behavior is influenced not only by structural factors but also by individual perceptions of the work environment (Robbins & Judge, 2022).

Table Summary of Partial Test Results

Intervariable Relationships	Koefisien (β)	t count	Sig.	Information
Participative Leadership → Job Satisfaction	0,272	3,435	0,001	Significant
Organizational Culture → Job Satisfaction	0,319	3,586	0,001	Significant
Motivation → Job Satisfaction	0,268	3,231	0,002	Significant
Participative Leadership → Performance	0,214	2,811	0,006	Significant
Organizational Culture → Performance	0,2	2,331	0,022	Significant
Motivation → Performance	0,22	2,785	0,006	Significant
Job Satisfaction → Performance	0,46	5,151	0,000	Significant

Source: processed data, 2026.

Based on Table , participative leadership has a positive and significant effect on employee performance. These results indicate that employee involvement in decision-making, open communication, and appreciation for employee contributions can strengthen a sense of belonging to the organization. In practice, actively involved employees tend to demonstrate higher work commitment, a stronger sense of responsibility, and a tendency to deliver optimal performance. This finding aligns with Gary Yukl's (2020) assertion that participative leadership improves decision quality and organizational effectiveness through subordinate involvement.

Organizational culture has also been shown to have a positive and significant effect on employee performance. These results indicate that consistently implemented values, norms, and work practices can shape productive work behavior. An organizational environment that supports open communication, collaboration, and clear work direction provides a psychological foundation that strengthens employee commitment to organizational goals. This finding aligns

with Edgar H. Schein's (2010) view that organizational culture is a system of shared values that shapes how organizational members think, feel, and act.

Work motivation has a positive and significant effect on employee performance. Substantively, these results confirm that employees with adequate intrinsic and extrinsic motivation tend to be more disciplined, responsible, and focused on achieving optimal work results. Within the framework of self-determination theory, motivation will develop more strongly when an individual's basic needs for autonomy, competence, and social connectedness are met (Deci & Ryan, 2017). Thus, motivation serves not only as a driver of work behavior but also as a psychological energy that strengthens performance quality.

Job satisfaction is a variable that has a dominant influence on employee performance because it is directly related to the psychological, emotional, and work experiences of individuals within an organization. Employees with high levels of job satisfaction tend to demonstrate positive work attitudes, stronger loyalty, commitment to the organization, and the ability to maintain work quality and productivity on an ongoing basis. From a modern organizational behavior perspective, job satisfaction is understood not only as an emotional response to work but also as a form of employee cognitive evaluation of the work environment, interpersonal relationships, rewards, career development opportunities, and the meaning of the work performed. This condition encourages the formation of work engagement, which ultimately has an impact on improving individual and organizational performance. This finding is in line with Robbins and Judge (2022), who stated that employees with high levels of job satisfaction tend to have better motivation, engagement, and work performance than employees who experience job dissatisfaction.

Table Summary of Simultaneous Test Results

Model	Dependent Variable	F count	Sig.	Information
Model 1	Job satisfaction	17,555	0,000	Significant
Model 2	Employee Performance	29,771	0,000	Significant

Source: processed data, 2026.

The results of the simultaneous test indicate that the research model has good feasibility. Participative leadership, organizational culture, and motivation jointly have a significant influence on job satisfaction. Furthermore, participative leadership, organizational culture,

motivation, and job satisfaction also simultaneously have a significant influence on employee performance. These findings indicate that employee work behavior in public organizations is the result of the interaction of various internal organizational factors that work in a complementary manner, not in isolation (Robbins & Judge, 2022).

Substantively, the research results indicate that participative leadership, characterized by employee involvement in decision-making, an organizational culture that supports communication and collaboration, and adequate work motivation, can create a more conducive work environment. Such a work environment fosters a sense of appreciation, a sense of belonging to the organization, and a comfortable work environment. In the context of public sector organizations, these conditions are an important foundation for improving the quality of public service.

Mediation analysis indicates that job satisfaction acts as an intervening variable in the relationship between participative leadership, organizational culture, motivation, and employee performance. This means that the influence of organizational factors on performance is not only direct but also through increased employee job satisfaction. In other words, job satisfaction serves as a psychological mechanism that bridges the influence of organizational conditions on individual work behavior. This finding reinforces Robbins and Judge's (2022) view that job satisfaction is a key determinant linking the organizational environment to employee performance effectiveness.

Thus, this study confirms that improving employee performance at the Department of Industry and Trade of East Kutai Regency requires strengthening participatory leadership practices, developing a conducive organizational culture, increasing work motivation, and sustainably managing job satisfaction. These efforts not only impact the achievement of organizational targets but also contribute to increasing the effectiveness of public services. In the context of public bureaucracy, this finding implies that the quality of human resource governance needs to be directed not only at achieving formal performance indicators but also at creating meaningful work experiences for employees.

Conclusion

This study shows that participatory leadership, organizational culture, work motivation, and job satisfaction have a positive and significant influence on employee performance at the East Kutai Regency Industry and Trade Office. Participatory leadership, demonstrated through employee involvement in decision-making, open communication, and harmonious working relationships, has been shown to increase job satisfaction and drive improved employee

performance. Furthermore, an adaptive, collaborative, and vision-oriented organizational culture contributes to a conducive and productive work environment.

The results also confirm that work motivation and job satisfaction are important factors in developing optimal employee performance. Employees who receive fair rewards, career development opportunities, and a comfortable work environment tend to have higher work enthusiasm and productivity. Simultaneously, all variables in this study are able to explain variations in employee performance, while job satisfaction is proven to act as an intervening variable, strengthening the relationship between participatory leadership, organizational culture, and motivation on employee performance. Thus, this study provides a more comprehensive understanding of the importance of managing organizational factors and human resources in improving the performance quality of public sector officials.

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